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Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

Domestic and export prices continued to fall, particularly for premium white rice, as foreign demand remained quiet and the Thai baht weakened. Foreign demand could remain quiet until the Government releases intervention stocks, which is expected to occur this week or early next month.

Bidding will be based on current market prices which are approximately 30 percent below acquisition prices paid a year ago, which could generate losses of around 7,000 baht/ton (\$198/MT). However, bidding prices are expected to be even lower than current market prices over expectations that rice prices will continue to fall once Vietnam and India return to the market.

General Information:

Indicative Prices (Week Ending Apr. 20):

Thailand: Export (FOB) Prices for various grades of rice (USD/MT)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100B	840	865	850	850	860	830	-	849	861
WR 100 B	545	635	560	560	570	560	550	569	593
PB 5%	540	-	590	-	570	565	560	567	589
WR 5%	515	605	550	550	540	530	535	546	571
WR 10%	505	-	-	-	-	525	-	515	508
WR 15%	485	-	-	-	-	502	-	494	489
WR 25%	435	-	-	-	-	455	-	445	450
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	315	330	-	-	340	330	-	329	349
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 35.2 baht/U.S.\$									

Market Tone

Domestic and export prices continued to fall, particularly for premium white rice, as foreign demand remained quiet and the Thai baht weakened. Foreign demand could remain quiet until the Government releases intervention stocks, which is expected to occur this week or early next month. Today the Thai Cabinet will review a proposal to sell 4-5 million tons of intervention stocks, of which approximately 1.5 million tons are MY2007/08 second-crop intervention stocks (mostly white rice) and the balance being MY2008/09 main-crop stocks (2 million tons of white rice and 1 million tons of fragrant rice). Of the proposed stock release, 3-4 million tons will be tendered for export, and the balance through the Agricultural Future Exchange of Thailand. Rice going into the futures market could also end up as exports, but purchase amounts in the futures market will be limited to smaller contracts. Within the proposal, bidding will be based on current market prices which are approximately 30 percent below acquisition prices paid a year ago, which could generate losses of around 7,000 baht/ton (\$198/MT). However, bidding prices are expected to be even lower than current market prices over expectations that rice prices will continue to fall once Vietnam and India return to the market. In addition, Thai baht depreciation could fall to 37.0 baht/\$ in the second quarter of this year, and 38.0 baht/\$ by the end of this year.

The current MY 2008/09 second-crop intervention program has absorbed 1.2 million tons of paddy valued at over 7.0 billion baht (\$198 million), most of which is white rice. The program will likely reach the target of 2.5 million tons of paddy valued at 36 billion baht (\$1.0 billion) as intervention prices remain 20-30 percent higher than current market prices.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
Feb 15	113,467	111,357	664	1,110	-40.2
Feb 22	122,972	106,606	787	1,293	-39.2
Mar 1	95,657	112,142	882	1,493	-40.9
Mar 8	100,463	108,140	983	1,680	-41.5
Mar 15	104,942	106,008	1,088	1,869	-41.8
Mar 22	82,621	95,921	1,170	2,075	-43.6
Mar 29	86,141	93,542	1,256	2,307	-45.5
Apr 5	105,037	94,685	1,362	2,489	-45.3
Apr 12	85,157	89,739	1,447	2,657	-45.6
Apr 19	55,543	82,969	1,502	2,736	-45.1

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for Apr. 13-19, 2009 totaled 55,543 tons, down 29,614 tons from the previous week, and down 27,426 tons from the four-week moving average of 82,969 tons. Exports during Jan. 1 - Apr. 19 totaled 1,502,223 tons, as compared with 2,737,789 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Apr. 3, 2009, amounted to 2,114,926 tons, down 36.1 percent from 3,308,269 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Mar. 30 – Apr. 3, Apr. 6-10, and Apr. 13-17, 2009 are as follows:

Movement (MT)	Mar. 30 – Apr. 3	Apr. 6-10	Apr. 13-17
Weekly sales	98,151	212,516	83,450
4 week sum	464,547	507,484	504,787
4 week mov. avg.	116,137	126,871	126,197
Total weekly sales	1,650,946	1,863,462	1,946,912

End of Report.